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MEETING

STATE OF CALIFORNIA

INTEGRATED WASTE MANAGEMENT BOARD

BUDGET AND ADMINISTRATION COMMITTEE

JOE SERNA, JR., CALEPA BUILDING

1001 I STREET

2ND FLOOR

COASTAL HEARING ROOM

SACRAMENTO, CALIFORNIA

WEDNESDAY, JULY 10, 2002

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JAMES F. PETERS, CSR, RPR  
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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMITTEE MEMBERS

Jose Medina, Chairperson

Linda Moulton-Patterson

Michael Paparian

STAFF

Mark Leary, Executive Director

Kathryn Tobias, General Counsel

Marie Carter, Staff Counsel

Terry Jordan, Deputy Director

Wes Mindermann

Darrin Okimoto

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

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1 PROCEEDINGS

2 CHAIRPERSON MEDINA: Good morning. We're going  
3 to go ahead and get started.

4 Chair Linda Moulton-Patterson is on her way.  
5 She'll be here shortly.

6 And so this is a meeting of the Budget and  
7 Administration Committee. Today is Wednesday, July the  
8 10th, 2002.

9 And we'll start out with roll call.

10 SECRETARY SINGH: Moulton-Patterson?  
11 Paparian?

12 COMMITTEE MEMBER PAPARIAN: Here.

13 SECRETARY SINGH: Eaton?  
14 Medina?

15 CHAIRPERSON MEDINA: Here.

16 We will have a quorum upon Linda  
17 Moulton-Patterson's arrival.

18 So we will move on to the Deputy Director's  
19 report.

20 And if we could have Ms. Jordan give the report.

21 DEPUTY DIRECTOR JORDAN: Good morning, Member  
22 Medina and Member Paparian.

23 This morning I'd like to talk a little bit about  
24 the budget. As you know, there's no news as of yet. The  
25 Legislative Committee's reconvened after the July 4th

1 weekend to work on proposing the balanced budget.

2           In the meantime work continues, but travel is  
3 limited to only the most essential operations, as no  
4 payments to vendors or travel advances are allowed until  
5 the Fiscal Year 2002-3 budget is enacted.

6           You probably read the most recent E-mail to all  
7 staff that advised that travel costs cannot be advanced  
8 and will not be reimbursed until the new fiscal year  
9 budget is enacted.

10           Therefore, only the most essential travel should  
11 be allowed. We are asking that only those trips critical  
12 to health, life, and public safety be considered at this  
13 time since we cannot provide advances.

14           With regards to general fund loans. You might  
15 recall that earlier in the fiscal year our office and the  
16 Directors's Office advised the members that there were  
17 loans directed from our special funds to the General Fund  
18 by the State Controller's Office.

19           Towards the end of the fiscal year for  
20 year-end-closing purposes they repaid the entire \$10  
21 million plus back to our account so that we could close  
22 the books.

23           However, we anticipated that after the beginning  
24 of the new fiscal year that would probably start again  
25 with their direct transfers to the General Fund. And it

1 has begun. As of July 1st, 1.5 million was direct  
2 transferred from the Farm and Ranch account to the General  
3 Fund. At this point in time, no others have been direct  
4 transferred, but we anticipate that they will from the  
5 various funds.

6 With regards to the hiring freeze, to provide you  
7 a little update, there is not really too much to update  
8 you on. It continues. The only hirings that are allowed  
9 are transfers within the Board, surplus or SORA  
10 candidates. And those are the candidates that are  
11 obviously losing their jobs in other State agencies. And  
12 as of late promotions are not allowed.

13 There is a statewide position dollar reduction  
14 plan that we're preparing. And that is with the guidance  
15 of the Department of Finance and the Agency, Cal EPA. And  
16 that was directed by the Budget Conference Committee, the  
17 action revised Control Section 31.6, to abolish a minimum  
18 of 6,000 positions -- vacant positions and to remove \$300  
19 million in associated dollars. And of those \$150 million  
20 is General Fund. These reductions are intended to be  
21 permanent and will be effective July 1st, 2002.

22 The Budget Conference Committee also adopted the  
23 companion Control Section 31.70 that authorizes Finance to  
24 restore some of the funding lost pursuant to the Control  
25 Section that is taking the vacant positions out, 31.60.

1 However, the total restoration cannot exceed 50 percent of  
2 the amount unallotted by fund source.

3 We've been asked to immediately identify all  
4 positions on June 30th, 2002 -- all vacant positions.

5 On July 17th we are anticipating that the State  
6 Controller will provide us a list of all vacant positions  
7 in their system as of June 30th. By July 24th, we must  
8 reconcile our noted vacancies in our system in-house with  
9 the State Controllers's Office listing.

10 And then, at that point, what we find as  
11 differences we have to justify and obtain written  
12 concurrence from Finance for all of those proposed  
13 adjustments to that report. We must then provide Agency  
14 with our vacancy totals and funding information for these  
15 adjustments.

16 In addition, we provide Agency with a rank  
17 listing for all of our reconciled vacancies. This listing  
18 must include a description of the effect of the reduction  
19 on the function, program or unit; the related budgeted  
20 dollar amount of the position, including salaries and  
21 wages, staff benefits, and operating expenses and  
22 equipment; the funding status and if a legislative change  
23 will be required to eliminate the function program or  
24 unit.

25 Positions must be ranked in ascending order, with

1 "one" being the easiest position to eliminate. At least  
2 50 percent of the vacancies list on the State Controller's  
3 Office report must be identified on our report to Agency  
4 as those that we are able to abolish.

5 By August 1st Agency is to review and approve all  
6 of our documents submitted and submit them to Finance for  
7 review. They will also submit what they call an Agency  
8 summary of vacancy adjustments.

9 I would also like to advise you -- you might  
10 recall that in February my office had mentioned that we  
11 were being audited by the Department of General Services.  
12 And this is with regards to the Waste Board's business  
13 management functions. They were to be here approximately  
14 five to seven months. These audits are conducted --  
15 compliance audits are conducted on business management  
16 functions and services in the Admin Division, and they  
17 routinely do this about every five to seven years. And  
18 the last one we had done was April of 1994.

19 The Administration and Finance Division  
20 management team has just recently met with the auditors  
21 and their supervisor in an exit conference to actually  
22 close the audit. We were provided a summary of the  
23 preliminary results and were advised that the draft report  
24 would be forthcoming in about four to five months.  
25 Apparently, there had been a little backlog as there is



1 the audit going on with regards to Oracle.

2           The scope of this audit included compliance with  
3 policies governing contracting, purchasing, comp payment  
4 of suppliers, fleet administration, small business usage,  
5 disabled veteran business usage, insurance, records  
6 management, real estate, telecommunications, and  
7 reporting. And there are a few others that were -- that  
8 are not worth reporting at this point.

9           It appears that we fared very well, as it was  
10 noted by the auditors and their supervisor that the  
11 management functions here at the Board are fairly clear  
12 and were being dealt with clearly.

13           But they also noted areas for improvement to  
14 better address internal processes. The Administration  
15 Division will be working towards these improvements prior  
16 to receiving the draft audit report so that we may be able  
17 to address the areas of change noted in the report that we  
18 have already made for compliance purposes.

19           When we get that draft report, we will circulate  
20 to the members. At this point in time, what we have as  
21 far as the preliminary results is very sketchy. But we  
22 have something to work with and we'll work towards  
23 bettering our processes internally.

24           And that concludes my report.

25           CHAIRPERSON MEDINA: Thank you for a good report.

1 And the DGS audit, when did they begin?

2 DEPUTY DIRECTOR JORDAN: It began in February of  
3 2002.

4 CHAIRPERSON MEDINA: Yeah.

5 DEPUTY DIRECTOR JORDAN: And they actually were  
6 located on site on Floor 19 in the Administration  
7 Division. And there were two auditors.

8 CHAIRPERSON MEDINA: All right.

9 Board Member Paparian, any questions?

10 COMMITTEE MEMBER PAPARIAN: No.

11 CHAIRPERSON MEDINA: Okay. Thank you. With  
12 that, we will move on to Item B. So if we can -- who is  
13 going to make the presentation?

14 (Thereupon an overhead presentation was  
15 presented as follows.)

16 MR. MINDERMAN: Good morning, Mr. Chairman and  
17 Member Paparian. My name is Wes Mindermann from the  
18 Permitting and Enforcement Division.

19 I'll be making the presentation on Items B and C  
20 this morning. If it's acceptable to the Committee, I'd  
21 like to combine the presentations on both items, because  
22 the items are essentially the same. So in the interests  
23 of saving time, I'll go ahead and do that.

24 I have a PowerPoint presentation here.

25 --o0o--

1 MR. MINDERMAN: Items B and C this morning,  
2 Board Items 9 and 10, request that the Board consider  
3 augmenting both of the Environmental Services Contracts  
4 for landfill and disposal site remediations under the  
5 Solid Waste Disposal and Codisposal Site Cleanup Program.

6 --o0o--

7 MR. MINDERMAN: I thought before I began my  
8 discussion on the contracts it might be helpful to go over  
9 the funding source for this program. And I apologize,  
10 this is sort of a wordy slide. But when you hear me  
11 mention the Trust Fund, which is the funding source for  
12 the Solid Waste Disposal and Codisposal Site Cleanup  
13 Program, what I'm really talking about is the Solid Waste  
14 Disposal Site Cleanup Trust Fund.

15 And it's a very important fund. The legislation  
16 has three sections devoted solely to the Trust Fund  
17 management and maintenance. And I thought I'd hit some of  
18 the highlights here that might answer some of your  
19 questions that might come up as a result of our discussion  
20 today.

21 Public Resources Code Section 48027(a)(2) starts  
22 off with: "The Legislature hereby finds and declares...",  
23 and it says a number of things. But at the very end it  
24 says, "that it is essential for any money in the Trust  
25 Fund to be used solely for the purpose of this article and

1 not be used, loaned, or transferred for any other  
2 purpose."

3 Now, as we move down through Section 48027 it  
4 goes on further. At 48027(b) it states that "The Trust  
5 Fund is created and that the money in the Trust Fund is  
6 hereby continuously appropriated to the Board for  
7 expenditure without regard to fiscal years for the  
8 purposes of this article."

9 So as money is put into the Trust Fund, the  
10 fiscal year that it's put in really isn't relevant.

11 As we move down through 48027(c), it describes  
12 what monies are to be put in the Trust Fund. And it says,  
13 "Monies to be deposited in the Trust Fund include funds  
14 appropriated by the Legislature from the Integrated Waste  
15 Management Account, interest earned on monies in the Trust  
16 Fund, cost recoveries, and loan repayments."

17 So I guess my point in bringing up this section  
18 is to say, you know, this program is a transfer program.  
19 It essentially transfers money out of the Integrated Waste  
20 Management account when the Legislature appropriates it  
21 and into the Trust Fund for the purposes of implementing  
22 the article.

23 I also want to point out that it's very dynamic.  
24 I mean, we're earning interest on that money. We have  
25 cost recoveries constantly coming in. We also have loan

1 repayments coming in. So the fund level constantly  
2 changes.

3 As we move down through the legislation, the last  
4 section, 48028 in the Public Resources Code says, "Any  
5 funds that are not expended shall remain in the Trust Fund  
6 for future expenditure by the Board for the purposes of  
7 this article."

8 So if we have any funds remaining, which we do,  
9 from the last fiscal year, they certainly can be used in  
10 the next fiscal year for the purposes of implementing the  
11 Solid Waste Disposal and Codisposal Site Cleanup Program.

12 --o0o--

13 MR. MINDERMAN: So you might ask yourself why do  
14 we have contractors under the Solid Waste Cleanup Program.  
15 Well, the contractors implement what we call the  
16 Board-managed portion of the program. And that's  
17 specifically authorized in the legislation under 48021(b)  
18 of the Public Resources Code, and it states, "In  
19 administering the program authorized by Section 48020, the  
20 Board may expend funds directly for cleanup."

21 --o0o--

22 MR. MINDERMAN: So what contractors do we have  
23 to implement the Board-managed portion of the cleanup?

24 Well, we have two main tasks: One is landfill  
25 and disposal site remediation. We currently maintain two

1 construction contractors, which are used to implement the  
2 cleanups at sites that the Board approves they are A.J.  
3 Diani Construction Company and Irv Guinn Construction  
4 Company.

5 We also have an engineering services contractor  
6 that we use to support the program. They typically help  
7 us in site investigations, preparation of plans and  
8 specifications, construction management, and other related  
9 tasks.

10 So that gives you an idea of what contracts we  
11 have under the program.

12 Okay. To the next slide please.

13 --o0o--

14 MR. MINDERMAN: The proposal today -- the  
15 augmentation we're requesting is for the cleanup  
16 contractors. As I stated before, we have two contracts.  
17 And this slide presents the vital statistics. They're  
18 A.J. Diani Construction and Irv Guinn Construction. They  
19 were awarded in November of 2001. The current expiration  
20 date is May 2004.

21 The not-to-exceed amount on the contract was \$2.5  
22 million for each contract. The initial allocation that  
23 the Board approved in November was \$1.5 million from the  
24 Trust Fund for each contract. I can tell you right now  
25 that the backlog of Board-managed work that I have in the

1 Solid Waste Cleanup Program currently utilizes the entire  
2 \$1.5 million in each contract.

3 So staff are here today proposing that these  
4 contracts be augmented with the additional \$1 million to  
5 bring them up to the not-to-exceed of \$2.5 million for  
6 purposes which I'll describe in the next slide.

7 --o0o--

8 MR. MINDERMAN: What we have here is a table  
9 that outlines the proposed projects under the Solid Waste  
10 Cleanup Program for July 2002.

11 You can see here I've highlighted the  
12 Board-managed projects. There's three of them. The total  
13 estimated cost of these three projects is going to be  
14 about \$1.7 million.

15 The \$2 million augmentation that we're requesting  
16 that you put into the remediation contractors will cover  
17 this work.

18 The Permitting and Enforcement Committee heard  
19 this item, which will be Agenda Item 8 for the Board, on  
20 Monday and concurred in Board staff recommendation that  
21 the sites be approved.

22 You can also see we have two other matching  
23 grants up there. But those aren't Board-managed and don't  
24 affect the contract.

25 Another point I want to make here while I have

1 this slide up is you can see in the cost recovery portion  
2 of the -- cost recovery column of the table, you can see  
3 we are going to be recovering some costs for these  
4 projects. The key point to remember here though is that  
5 when these costs are recovered, they go back into the  
6 Trust Fund. In other words, I have to expend the entire  
7 \$200,000 out of the contract. And even though I get  
8 \$100,000 under the proposed cost recovery agreement for  
9 Cyrus Canyon, the \$200,000 is expended totally out of the  
10 contract. The money is returned to the Trust Fund, but  
11 isn't available for Board-managed cleanups until it's put  
12 into a contract.

13 --o0o--

14 MR. MINDERMAN: Now, I wanted to present this  
15 slide because a question came up on, well, what is the  
16 status of the fund? And before I go down this list, I  
17 want to note that this is what staff -- program staff used  
18 for planning purposes for the program. So I would say  
19 it's the world according to Wes, for lack of a better  
20 phrase.

21 As we look at this table, you can see that the  
22 first row is the Trust Fund balance as of May 30, 2002.  
23 And that's the date of the latest reconciliation that we  
24 have received from the Accounting Department. There's  
25 usually a slight lag, so that's not too unusual. You can



1 see we have \$15 million in the trust fund balance.

2 Now, initially that seems like a lot of money.

3 But as you move to the next row, you can see the  
4 unreserved balance, which is that money that is not  
5 encumbered for contracts or grants, is \$6 million. What  
6 this means is that \$9 million is currently being held for  
7 grants and contracts in the program. So the unreserved  
8 balance is the balance I call the cash balance, which is  
9 really the money available for new grants, loans and  
10 contracts.

11 Now, since May 30th we have approved a number of  
12 projects, and they don't show up in that unreserved  
13 balance. We have a new engineering services contract  
14 which the Board approved for -- not approved for award,  
15 but approved to go out for in October of 2001. That's a  
16 \$1 million contract. We also have a cleanup grant for the  
17 Bolsa Chica illegal disposal site in the amount of  
18 \$120,000. If you subtract out those encumbrances, that  
19 leaves us with about \$4.9 million.

20 As you look further down, you can see the  
21 proposed incumbrances for the July 2002 Board meeting.  
22 You can see there's a matching grant for the Ballard  
23 Canyon landfill, a matching grant for the Crazy Horse  
24 Abandoned Disposal Site. And you can also see I've  
25 included a line item that says remediation contract

1 augmentation in the amount of \$2 million.

2           So the point of this is that the funds are  
3 available in the Trust Fund to do this augmentation. The  
4 other thing to note here is that the unreserved balance  
5 that will be available in August 2002, is approximately  
6 \$2.5 million.

7           The one item that is missing here is the Fiscal  
8 Year 2002-2003 appropriation. The May Revise of the  
9 budget that I saw had that appropriation at \$5 million. I  
10 didn't add it in because obviously we don't have a budget,  
11 as you heard earlier in the Deputy Director's report.

12           So hopefully what we will have for Fiscal Year  
13 2002-2003 would be \$2.4 million plus another \$5 million.  
14 The other thing I want to add though also is that all of  
15 that money is not available for projects. There's  
16 administration costs. There's pro rata costs that are  
17 subtracted out. There's also a prudent reserve that we  
18 need to maintain in the fund. So, you know, we can't use  
19 all of that \$2.4 million right now or \$7.4 million for  
20 projects when the budget's approved.

21                               --o0o--

22           MR. MINDERMAN: In conclusion, I'd like to just  
23 point out again that these proposed augmentations are  
24 necessary to complete the Board-managed projects  
25 recommended for approval in July 2002 under Agenda Item 8

1 under the Solid Waste Cleanup Program.

2 Staff recommend that the Board approve the  
3 allocations and adopt Resolution Numbers 2002-372 and  
4 2002-373, augmenting each contract by \$1 million.

5 And the one last point I wanted to make was that  
6 our cleanup contracts are currently fully expended if the  
7 Board approves these projects as they are proposed.

8 So at some point in Fiscal Year 2002-2003,  
9 program staff will be back before you to get new cleanup  
10 contractors for the program.

11 That concludes my presentation.

12 I'd be happy to answer any questions.

13 CHAIRPERSON MEDINA: Thank you.

14 I just want to note that Board Member  
15 Moulton-Patterson is here and we do have a quorum.

16 And we have not taken any votes as of yet.

17 COMMITTEE MEMBER MOULTON-PATTERSON: Okay. Thank  
18 you.

19 And I have no ex partes.

20 CHAIRPERSON MEDINA: Okay. Thank you.

21 Any questions, Board Members?

22 COMMITTEE MEMBER PAPARIAN: Yeah. This was very  
23 helpful. Great presentation.

24 Could you go back one slide, the chart -- yeah.

25 The roughly \$9 million that's already encumbered,

1 some of that money is going to be coming back to us in  
2 various types of reimbursements or cost recoveries  
3 presumably.

4           So what I'm asking, I guess, is do you have any  
5 guess as to how much additional money is going to be  
6 coming back to us out of that \$9 million?

7           MR. MINDERMAN: Actually, my guess would be very  
8 little of that money is going to come back to us in terms  
9 of recoveries. Out of that \$9 million, the majority of it  
10 is being held for grants. And grants are obviously -- you  
11 know, grants are given to grantees for site cleanup.

12           There will be very little costs recovered for  
13 those grants because, you know, it's a grant. Cost  
14 recovery is not an aspect of it.

15           Where we see cost recovery is typically on the  
16 Board-managed cleanups where we do it where there is an  
17 unwilling responsible party. And we clean up the site and  
18 go after cost recovery for them.

19           And also in loans. But we only really have two  
20 loans under this program. And those costs -- those loan  
21 repayments this year are probably going to total, I would  
22 imagine, less than \$300,000.

23           But I will say that the current Board-managed  
24 projects that we have are going to have some monies coming  
25 back into the trust fund. And those are going to be

1 probably on the order of half a million dollars.

2 CHAIRPERSON MEDINA: Okay.

3 COMMITTEE MEMBER PAPARIAN: Thanks.

4 CHAIRPERSON MEDINA: Just as a follow-up to Board  
5 Member Paparian's question, do we have a description  
6 anywhere of the \$9 million that are encumbered? And if  
7 not, if you could prepare that for us.

8 MR. MINDERMAN: Right. The encumbrances show up  
9 on our what's called a Cal Star D16 report, which is this  
10 piece of paper I'm holding up for your viewing.

11 I can certainly prepare a summary of the  
12 encumbrances for you, if that would be helpful.

13 CHAIRPERSON MEDINA: That would be helpful, if  
14 you could get a copy to the Board Members and the  
15 Committee.

16 MR. MINDERMAN: All right.

17 CHAIRPERSON MEDINA: All right. Board Member  
18 Patterson, any questions?

19 COMMITTEE MEMBER MOULTON-PATTERSON: No. It was  
20 just very informative. Thank you very much.

21 MR. MINDERMAN: You're welcome.

22 CHAIRPERSON MEDINA: Okay. Then if we could move  
23 this resolution for fiscal consent.

24 COMMITTEE MEMBER MOULTON-PATTERSON: Do you  
25 have --

1 COMMITTEE MEMBER PAPARIAN: I'll make the motion.  
2 I'll start with Resolution 2002-372 related to  
3 environmental services contract IWM-C0106B.

4 COMMITTEE MEMBER MOULTON-PATTERSON: I'll second  
5 that.

6 CHAIRPERSON MEDINA: Okay. A Resolution 2002-372  
7 has been moved and seconded.

8 Take the roll on that please.

9 SECRETARY SINGH: Moulton-Patterson?

10 COMMITTEE MEMBER MOULTON-PATTERSON: Aye.

11 SECRETARY SINGH. Paparian?

12 COMMITTEE MEMBER PAPARIAN. Aye.

13 SECRETARY SINGH: Medina?

14 CHAIRPERSON MEDINA: Aye.

15 Resolution 2002-372 has been moved to the full  
16 board for fiscal consent.

17 COMMITTEE MEMBER PAPARIAN: And then --

18 COMMITTEE MEMBER MOULTON-PATTERSON: -- 373?

19 COMMITTEE MEMBER PAPARIAN: Now I'm going to make  
20 that motion.

21 COMMITTEE MEMBER MOULTON-PATTERSON: Okay.

22 Sorry.

23 I was making them in I guess a different order  
24 than you have them in the binder --

25 COMMITTEE MEMBER MOULTON-PATTERSON: Okay.

1 Great.

2 COMMITTEE MEMBER PAPARIAN: -- Resolution number  
3 order.

4 So I'll move Resolution 2002-373 related to an  
5 augmentation for Environmental Services Contract  
6 IWM-C0106A.

7 COMMITTEE MEMBER MOULTON-PATTERSON: I'll second  
8 that.

9 CHAIRPERSON MEDINA: Okay. Resolution 2002-373  
10 has been moved and seconded. And that's in the amount of  
11 \$1 million.

12 Could we have the roll on that please.

13 SECRETARY SINGH: Moulton-Patterson?

14 COMMITTEE MEMBER MOULTON-PATTERSON: Aye.

15 SECRETARY SINGH: Paparian?

16 COMMITTEE MEMBER PAPARIAN: Aye.

17 SECRETARY SINGH: Medina?

18 BOARD MEMBER MEDINA: Aye.

19 So again 2002-373 has been moved to the full  
20 board for fiscal consent.

21 I did have one last question before I forget.

22 And that has to do with the level of prudent reserve that  
23 we maintain in this fund. What is that level?

24 MR. MINDERMAN: You know, I don't know it off  
25 the top of my head. I would prefer to defer to somebody

1 in budgets, but --

2 MS. JORDAN: If I'm not mistaken, Board Member  
3 Medina, I believe it's \$1 million, but I'll have to check.

4 CHAIRPERSON MEDINA: Yes, if you could get that  
5 for us.

6 DEPUTY DIRECTOR JORDAN: Certainly. I'll get  
7 back to you on that.

8 CHAIRPERSON MEDINA: With that, we'll move on to  
9 item D, Consideration of the Grant Award for the Used Oil  
10 Recycling Block Grant Program for Fiscal Year 2002-2003.

11 MS. WILLD-WAGNER: Yes. Good morning, Mr. Chair  
12 and Committee Members. I'm Shirley Willd-Wagner with the  
13 Special Waste Division.

14 And this item is for the used Oil Recycling Block  
15 Grant award for Fiscal Year 2002-3. It was heard by the  
16 Special Waste and Market Development Committee meeting on  
17 Monday. And that Committee voted 4-0 to send the item  
18 here to the Budget and Administration Committee.

19 Darrin Okimoto of our staff will be making his  
20 first Committee presentation for this item.

21 MR. OKIMOTO: Good morning, Chairman Medina and  
22 Committee Members.

23 Item D is a Consideration of Grant Award for Used  
24 Oil Recycling Block Grant Program for Fiscal Year  
25 2002-2003.



1           Block grants are utilized for developing and  
2 maintaining convenient collection opportunities and for  
3 advertising and public education to promote used oil  
4 recycling and reuse. Local jurisdictions are encouraged  
5 to cooperate and develop regional programs consisting of  
6 several cities and/or counties to enhance efficiencies.

7           Locals are also encouraged to develop  
8 partnerships with private nonprofit or other governmental  
9 organizations to leverage funds and resources.

10           Statute specifies that the greater of \$10 million  
11 or half of the funds remaining in the used oil recycling  
12 funds be allocated for block grants and stipulates that  
13 awards be calculated on a per-capita basis for each  
14 jurisdiction.

15           In addition, jurisdictions will receive funds  
16 from the promotional and local assistance line items for  
17 used oil filter recycling activities. This line item will  
18 also be utilized to supplement the per-capita award to  
19 provide the minimum funding of \$5,000 for cities and  
20 \$10,000 for counties.

21           Staff recommends awarding of \$16,243,832 to  
22 eligible jurisdictions. This amount includes additional  
23 \$5,002,000 based on year-end accounting as reported at the  
24 December 2001 Board meeting.

25           Applicants have been advised of this one-time

1 allocation which is approximately an additional 12 cents  
2 per capita. Therefore, the block grant cycle will  
3 represent an allocation of approximately 43 cents per  
4 capita. 31 cents per capita is the loan.

5           The eighth cycle Fiscal Year 2002-2003 block  
6 grant application was mailed to potential grantees and  
7 posted on the Board's web site in January of 2002.

8           As of today, 218 applications of the 252 possible  
9 have been received, representing approximately 86.5  
10 percent of the State's population. At the September  
11 19th-20th, 2000 board meeting, the Board approved  
12 modification to the grant term and the award process.  
13 Specifically, the Board awarded -- approved awarding the  
14 block grant annually for a three-year term. The Board  
15 also authorized funding for jurisdictions that submit a  
16 late application for a given grant cycle by December 1st  
17 of the subsequent fiscal year -- excuse me -- subject  
18 fiscal year.

19           The Board also directed the withholding of future  
20 grant award funding from grantees who do not comply with  
21 the semi-annual reporting requirement and/or owe the Board  
22 money from previous block grants.

23           Presently, 29 grantees listed in Attachment 2  
24 have not submitted semi-annual block grant reports. This  
25 is a reduction from 37 as listed in the attachment at the

1 time the Committee item was due.

2 Staff will continue to work with grantees to  
3 obtain the reports. And we expect to have the numbers  
4 reduced further by the Board meeting. Staff continues to  
5 work on completing review of reports submitted.

6 I wish to point out that all but eight of the  
7 grantees listed in Attachment 1 have not submitted grant  
8 reports. Additionally, no grantees owe the Board funds  
9 for past used oil block grants.

10 In conclusion, staff recommends that used oil  
11 block grants be awarded to applicants listed in Resolution  
12 Number 2002-360 in Attachment Number 3 in the amount of  
13 \$16,234,832 conditioned on the following:

14 1) Submission of a complete application by  
15 December 1st, 2002;

16 2) Approval of all previously submitted  
17 semi-annual reports; and

18 3) Submission of staff approval of all past-due  
19 semi-annual reports.

20 That concludes my presentation.

21 Are there any questions?

22 CHAIRPERSON MEDINA: Thank you.

23 Board Members, any questions?

24 Board Member Paparian?

25 COMMITTEE MEMBER MOULTON-PATTERSON: If there are

1 no questions, I'll go ahead and move it.

2 CHAIRPERSON MEDINA: We have one question. Board  
3 Member Paparian has a question.

4 COMMITTEE MEMBER PAPARIAN: I just wanted to  
5 clarify. The version of the resolution I have does have  
6 some strikeouts and underlines in it.

7 Are we expecting more modifications between now  
8 and the Board meeting in some of the amounts and so forth  
9 or no?

10 MS. WILLD-WAGNER: We will be expecting fewer  
11 applicants listed on those attachments. So in other words  
12 just more to receive the awards. There won't be changes  
13 in the dollar amounts that are listed in the resolution.

14 COMMITTEE MEMBER PAPARIAN: So the resolution  
15 will stay the same?

16 MS. WILLD-WAGNER: The resolution should stay the  
17 same.

18 COMMITTEE MEMBER PAPARIAN: Okay. That's all I  
19 need.

20 CHAIRPERSON MEDINA: Very well then. If we'd  
21 have a motion on this.

22 COMMITTEE MEMBER MOULTON-PATTERSON: Thank you.  
23 I'd like to move approval of Resolution 2002-360.

24 COMMITTEE MEMBER PAPARIAN: Second.

25 CHAIRPERSON MEDINA: Resolution 2002-360 has been

1 moved and seconded.

2 If you'd call the roll please.

3 SECRETARY SINGH: Moulton-Patterson?

4 COMMITTEE MEMBER MOULTON-PATTERSON: Aye.

5 SECRETARY SINGH. Paparian?

6 COMMITTEE MEMBER PAPARIAN: Aye.

7 SECRETARY SINGH: Medina?

8 CHAIRPERSON MEDINA: Aye.

9 Resolution 2002-360 has been moved to the full  
10 Board as a fiscal consent item.

11 That concludes the items that we have on the  
12 agenda for today.

13 And are there -- does anyone wish to make any  
14 public comments.

15 The floor is now open for public comments.

16 If not, we will adjourn this section of the  
17 meeting. We will go into a closed session on a personnel  
18 matter. So we're going to take a 10-minute break, and  
19 then we will be meeting in Room 240 in closed session for  
20 a personnel matter.

21 Thank you.

22 (Thereupon the California Integrated  
23 Waste Management Board, Budget and  
24 Administration Committee meeting adjourned  
25 at 9:40 a.m.)

## 1 CERTIFICATE OF REPORTER

2 I, JAMES F. PETERS, a Certified Shorthand  
3 Reporter of the State of California, and Registered  
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the  
6 foregoing California Integrated Waste Management Board,  
7 Budget and Administration Committee meeting was reported  
8 in shorthand by me, James F. Peters, a Certified Shorthand  
9 Reporter of the State of California, and thereafter  
10 transcribed into typewriting.

11 I further certify that I am not of counsel or  
12 attorney for any of the parties to said meeting nor in any  
13 way interested in the outcome of said meeting.

14 IN WITNESS WHEREOF, I have hereunto set my hand  
15 this 23rd day of July, 2002.

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23 JAMES F. PETERS, CSR, RPR  
24 Certified Shorthand Reporter  
25 License No. 10063